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Sunday, February 17, 1952.

EXCISE

We arrived at Victoria this morning at 9.10 English time (8.10 in France). We went to the Embassy, and found telegrams informing us of what had happened last evening in Paris.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CEC DATE 7-1-81
PORTIONS DENIED AS INDICATED

It appears it became evident to Faure during the late afternoon that he could not carry the Government Resolution even if the Socialists abstained from voting. He, therefore, agreed to a compromise resolution satisfactory to the Socialists, which the Gaullists by a manoeuvre forced postponement of voting upon, and it will be brought up on a confidence motion Tuesday morning. There are some distasteful features of this resolution [redacted] the most vexatious is a statement that since NATO, [redacted] a defensive association, no nation with territorial claims should be permitted to join it. This is, of course, directed against Germany, but neglects the situation that Italy also has territorial claims. However, all the provisions of the resolution are recommendatory, and the

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French Parliament could conceivably reverse itself later.

After a preliminary meeting at the Embassy, permeated with gloom because of the French complications, Acheson, Gifford, McCloy, Perkins, Byroade, Nash, myself, etc. went to the Foreign Office for a tripartite meeting between the British, French and ourselves. The question of German War Criminals was discussed and settled. Next came German financial provisions, and they were unfinished at lunch time. We adjourned to the Connaught where we remained busily engaged with food and argument until 3.45., whereupon we rejoined Eden et al at Whitehall. There was a resumption of the controversy over occupation costs. Then security controls were brought under scrutiny. Certain prohibited items, notably civil aircraft, propellants, and gun barrels in excess of 105 millimeters are in dispute, as well as whether there should be a unilateral declaration by Germany stating that

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prohibited items would not be manufactured in Germany, whether this should be covered in contractual arrangements, or whether the problem could not be dealt with through the instrumentality of the EDC.

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Schuman raised the subject of the deconcentration of

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German industry, and McCloy reported that progress was being made, although some real difficulties exist, especially as concerns the coal sales organization.

Acheson urged that Schuman discuss the Saar affair with Adenauer while they are both in London.

We adjourned about 7.30, and I went to the Embassy before dressing to go to dinner at Walter Gifford's.

The Achesons, Byroades, Helen Kirkpatrick, McCloy, the Perkins, Frank Nash, the Penfields and others were there. After dinner, the men discussed political matters connected with the Conference. It was a very pleasant evening, and I read late in my comfortable room at Nancy's.